

Message Text

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ACTION EUR-25

INFO OCT-01 ADP-00 AEC-11 SCEM-02 SCI-06 ACDA-19 GAC-01

MC-02 MBFR-03 CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-12 EB-11

RSR-01 /148 W

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R 181715 Z APR 73

FM AMEMBASSY ROME

TO SECSTATE WASHDC 8369

INFO USMISSION EC BRUSSELS

AMEMBASSY PARIS

AMEMBASSY LONDON

AMEMBASSY BONN

AMEMBASSY MOSCOW

AMEMBASSY THE HAGUE

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E. O. 11652: N/ A

TAGS: TECH, ENRG, US, IT

SUBJECT: REVISED AEC TOLL ENRICHMENT CONTRACT

REF: ROME 1940, ROME 2902

1. EMBOFF MET WITH RESPONSIBLE OFFICER OF ENI INCLUDING DIRGEN GIORGIO FOGAGNOLO OF AGIP NUCLEARE TO FURTHER ELICIT ITALY' S VIEWS ON ENRICHED URANIUM QUESTION.

2. ENI' S STATE HOLDING COMPANY, BY LAW AND CABINET DECREE IS RESPONSIBLE FOR SUPPLY OF NATURAL URANIUM AND ENRICHED URANIUM FOR ITALY' S ELECTRICAL POWER NEEDS.

3. ON THE WHOLE ENI OFFICIALS REITERATED THE SAME ARGUMENT AND VIEWS PREVIOUSLY REPORTED FROM CONVERSATIONS WITH FONOFF OFFICE OF ENERGY. ITALY CONTINUES TO BE DISTURBED BY US PRICE INCREASES AND PARTICULARLY CHANGED CONTRACT CONDITIONS. ENI OFFICIALS DO NOT
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SEE HOW ITALY CAN MAKE FIRM COMMITMENTS WITH LARGE DOWN PAYMENTS 10 YEARS AHEAD. ENRICHED URANIUM NEEDS MAY CHANGE BECAUSE DIFFERENT NEEDS, LACK OF FUNDS, ENVIRONMENTAL CONSIDERATIONS, SAFETY, INDUSTRIAL CAPABILITY AND IMPROVED TECHNOLOGY AS WELL AS DIFFERENT KINDS OF PLANTS. ENI WITH FULL APPROVAL OF GOI HAS REQUESTED TO ORALLY PRESENT ITS VIEWS TO JCAE IF ADDITIONAL HEARINGS ARE HELD AFTER EASTER (STATE 71723).

4. THE LATEST ESTIMATED FIGURES FOR INSTALLED NUCLEAR POWER IN ITALY IS AS FOLLOWS:

1980: 5,00 MW TO 6,00 MW

1985: 16,000 TO 24,000 MW

1990: 44,000 TO 60,000 MW

5. IT IS ESTIMATED THAT THIS CAPACITY WILL BE DIVIDED ABOUT 50-50 BETWEEN LW AND HW REACTORS. IN OTHER WORDS ITALY WILL NEED SIZE-ABLE ENRICHMENT SERVICES.

6. IT IS ENI OFFICIAL POSITION THAT THE US CHANGED CONDITIONS CAN RATIONALLY BE COUNTERED BY ONLY ONE MOVE, I. E., FOR EUROPE TO BUILD ITS OWN ENRICHMENT FACILITY, BE IT DIFFUSION OR CENTRIFUGE.

7. IN SHORT AND MEDIUM TERM HOWEVER US REMAINS THE ONLY PRACTICAL SUPPLY. ENI CONSIDERS THE FRENCH OFFER TO GERMANY AS A POLITICAL MOVE BUT BELIEVES IT CAN DELIVER IF TAKEN UP ON ITS OFFER.

8. ALSO ENI WISHES TO STAY OUT OF THE CONTROVERSY BETWEEN DIFFUSION AND CENTRIFUGE TECHNOLOGY. REITERATED ENI POSITION THAT NEED EXISTS IN EUROPE FOR BOTH IN 80'S.

9. ENI OFFICIALS WERE VERY RELUCTANT TO DISCUSS THEIR DEALS WITH SOVIETS THIS SUBJECT EVEN IN MOST GENERAL TERMS. IMPRESSION GAINED HOWEVER THAT DISCUSSIONS ARE UNDERWAY BETWEEN ENI AND SOVIETS THIS SUBJECT AS PART OF NATURAL GAS AND OTHER ENERGY TALKS. BEAUDRY

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*** Current Classification *** LIMITED OFFICIAL USE

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TAGS: ENRG, TECH, IT, US
To: BONN
EC BRUSSELS
EUR
LONDON
MOSCOW
PARIS
SECSTATE WASHDC

THE HAGUE

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